

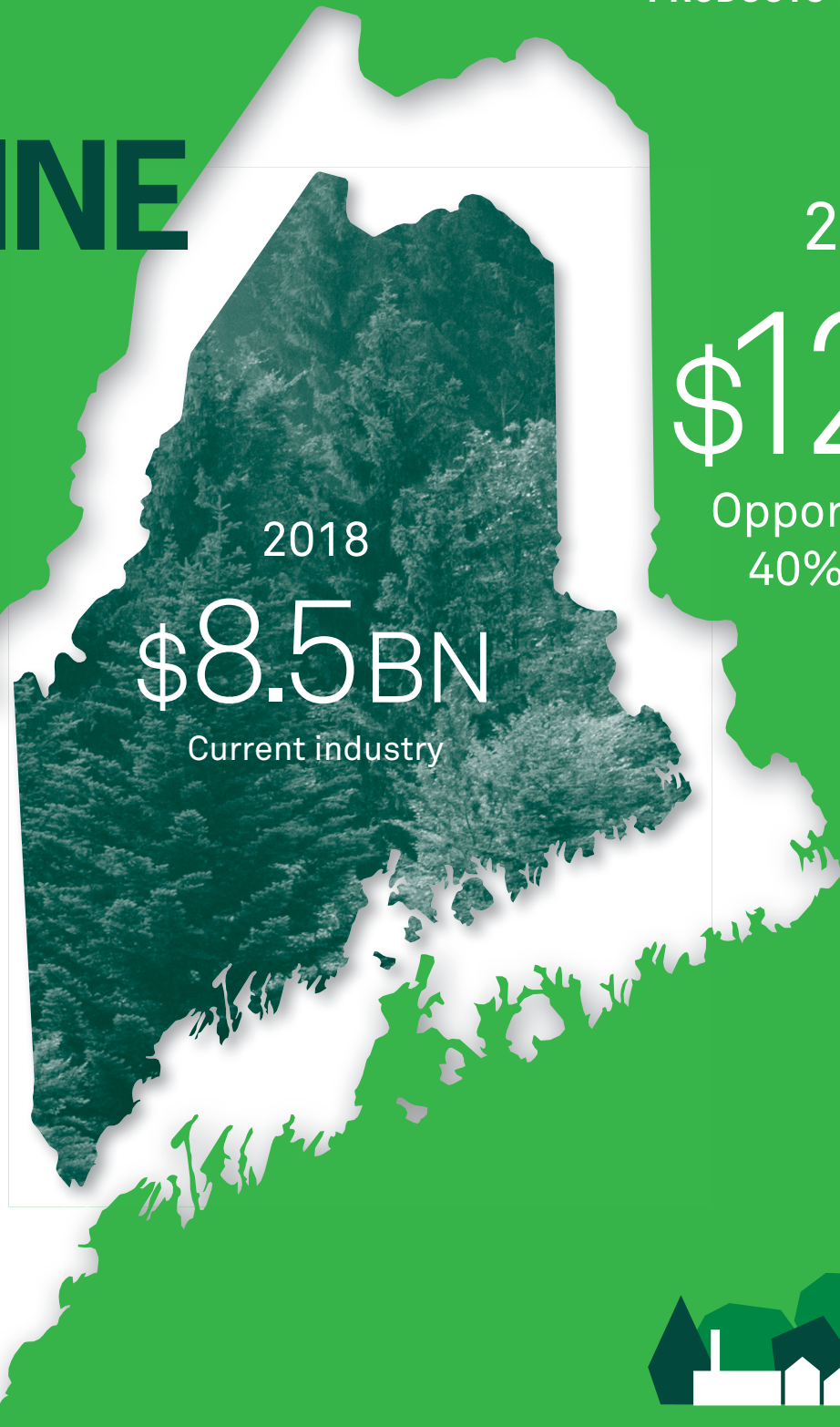
# FOREST OPPORTUNITY ROADMAP

# / MAINE

SEPTEMBER 2018

STRONG FORESTS. STRONG ECONOMY.  
STRONG COMMUNITIES.

VISION AND ROADMAP  
FOR MAINE'S FOREST  
PRODUCTS SECTOR



# EXECUTIVE SUMMARY

Today, technology, globalization, and shifting consumer demands are bringing change and new opportunities to Maine's traditional forest economy. While some markets have declined, the forest products sector remains a critical component of Maine's economy. But, like all manufacturing businesses, production has shifted to higher-demand products, and even newer products are on the horizon.

The global forest products industry is changing, and if Maine adapts quickly and strategically, we can maintain our leading role in a global forest economy. The question is, will Maine take the necessary steps to ensure a strong and diverse forest products industry?

The Forest Opportunity Roadmap establishes a vision for a thriving and strong forest economy of the future and outlines the steps necessary to achieve the vision. The report describes a highly collaborative effort between industry, government, academia, and the people of Maine to achieve 40% economic growth for Maine's forest products industry by building on traditional strengths like saw logs and paper, and adding a whole new layer of innovative products.

The Roadmap presents the collaborative work of a statewide coalition including industry, communities, government, education, and non-profits, which have come together to realize the next generation of Maine's great forest economy.

The recommendations presented below are based on two years of coordinated research and strategy development, informed by extensive data collection, global benchmarking, and industry expertise. Among the research conducted by FOR/Maine are:

- A wood supply analysis to determine Maine's current and potential wood supply and how it can meet global demands.
- A global market analysis to identify current and emerging global demand for forest products, and the markets where Maine is likely to be most competitive.
- A transportation analysis, to determine necessary improvements to improve efficiency.
- A wood energy analysis, to analyze modern wood heat markets for forest and sawmill residuals.

- A stakeholder analysis, to understand needs and positions across the industry.
- An emerging technologies evaluation, to understand which new and emerging wood products are the best fit for Maine.

The wood supply analysis identified the sustainable level of harvest by species and concluded that there is a significant opportunity for increased use of Maine softwoods, most notably the Spruce/Fir resource as well as hemlock.

The global market analysis identified the most attractive products for Maine to fill gaps in the forest products economy and provide the best market opportunity, including a diverse mix of emerging and established products.<sup>1</sup>

The benchmarking comparison found that Maine has a number of competitive advantages, including a plentiful supply of moderately priced softwood raw material, available in an area with existing harvesting and logistics infrastructure. Maine's large private forest ownership and proximity to very large population centers in the Northeast were also identified as advantages. The University of Maine, which works with forest industry groups from around the world, is a unique and advantageous asset.

FOR/Maine's vision is that Maine will be a global leader in the forest products economy with a thriving, innovative, and diverse industry that provides good jobs in vibrant Maine communities. The recommendations below build on recent signs of optimism and significant investment in the future of Maine's forest industry, including Woodland's \$150 million investment to make tissue at its Baileyville mill, Sappi's \$165 million upgrade of a paper machine at its Somerset Mill in Skowhegan, Verso Corporation's \$17 million upgrade of a paper machine at the Androscoggin Mill in Jay, a \$12 million expansion at Pleasant River Lumber's sawmill in Dover Foxcroft, a \$30 million biomass plant investment at Athens Energy, a \$36 million biomass plant investment in Robbins Lumber in Searsmont, and the announcement that two Cross-laminated Timber (CLT) plants will soon be built in Maine. These projects bring hundreds of jobs to rural communities.

The next phase of FOR/Maine's efforts will focus on developing a marketing plan to capitalize on identified opportunities for growth and diversification in Maine's forest economy. We are committed to the focused and persistent effort accomplishing our goals will require.

1—The global market analysis and benchmarking focused on products newer to Maine rather than existing products that are well understood by the stakeholders, such as sawn timber or Oriented Strand Board (OSB), or that have seen recent investment like Cross-laminated Timber (CLT)

# RECOMMENDATIONS

## GOAL 1

### **Sustain and grow Maine's existing and emerging forest products economy, reaching \$12 Billion in economic impact by 2025.**

We must strengthen and optimize existing wood products manufacturing, dedicate resources to a forest products industry attraction and diversification program to increase capital investment in markets that are a good fit for Maine, and improve Maine's attractiveness for new capital investment in the forest products industry. We need to accelerate innovation in new forest products and applications to strengthen Maine's leadership position. Maine must maximize the highest and best use of the wood supply, support the development of markets for efficient energy derived from wood, and improve transportation and logistics infrastructure for moving wood and finished wood products to market.

## GOAL 2

### **Manage the wood resource using sustainable and responsible forest management practices.**

We need to use accurate and current data about Maine's forest to inform investment and monitor sustainability.

## GOAL 3

### **Prepare workforce for the future of the forest products economy.**

Maine needs to attract young people into the industry, and ensure that new, replacement and incumbent workers have the skills needed for existing jobs. We need to prepare our workforce for emerging products and new technologies in the forest products industry.

## GOAL 4

### **Increase prosperity in Maine forest economy communities, especially those in rural Maine, including those affected by mill closures.**

We must strengthen Maine's capacity for local, regional, and state community and economic development. We need to encourage community efforts to create the conditions that attract diverse investment, including efforts to redevelop mill sites, improve broadband and other infrastructure, and leverage community incentives to support these efforts.

## GOAL 5

### **Organize the forest products industry with committed public sector partners, including the University of Maine, to implement the vision and goals.**

In order to succeed, we must communicate and implement an ambitious forest based economy strategy, and continue to work together to ensure these recommendations are implemented and that stakeholders remain engaged, committed and supportive of each other.